

Income that is generally taxable includes:

- Wages, salaries, bonuses, commissions, and tips
- Certain fringe benefits
- Interest
- Dividends
- Refunds of state and local taxes
- Alimony or separate maintenance payments received
- Business income
- Capital gains
- Sale or conversion of property
- IRA distributions (part or all may be nontaxable)
- Pensions and annuities (part may be nontaxable)
- Rents, royalties, and estate or trust income received
- Unemployment compensation and supplemental benefits
- Railroad retirement benefits (part or all may be nontaxable)
- Social security benefits (part or all may be nontaxable)
- Jury duty pay
- Executors' fees
- Gambling winnings (including lotteries, contests, raffles, etc.)
- Hobby income (but a hobby loss is not deductible)
- Nonqualifying scholarships and fellowships
- Payments for punitive damages and damages not attributable to physical injuries or sickness

Income that is generally exempt from tax includes:

- Child support
- Federal income tax refunds
- Certain life insurance proceeds
- Gifts, bequests, and inheritances
- Insurance and certain other payments for physical injury and sickness
- Interest on certain Series EE and Series I savings bonds redeemed to pay for qualified higher education expenses
- Interest on certain state and local obligations (municipal bonds)
- Most life insurance proceeds paid upon death
- Public assistance payments (certain TANF payments)
- Certain railroad retirement benefits (part may be exempt)
- Social security benefits (part may be exempt)
- VA disability benefits
- Workers' compensation
- Qualified scholarships and fellowships
- Certain dependent care services provided by employer
- Certain employer-provided educational benefits
- Interest on insurance dividends left with VA
- Employer-provided assistance for qualifying adoption expenses
- Restitution payments and excludable interest received by Holocaust victims, their estates, or their heirs